



HEALTH QUARTERLY STATEMENT  
AS OF SEPTEMBER 30, 2002  
OF THE CONDITION AND AFFAIRS OF THE

THE WELLNESS PLAN

NAIC Group Code	1150	1150	NAIC Company Code	95471	Employer's ID Number	38-2008890
	(Current Period)	(Prior Period)				
Organized under the Laws of	Michigan			State of Domicile or Port of Entry	Michigan	
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health [ ]		Property/Casualty [ ]		Dental Service Corporation [ ]	
	Vision Service Corporation [ ]		Other [ ]		Health Maintenance Organization [ X ]	
	Hospital, Medical & Dental Service or Indemnity [ ]		Is HMO, Federally Qualified? Yes [ X ]		No [ ]	
Incorporated	11/08/1972		Commenced Business	02/28/1973		
Statutory Home Office	2875 W. GRAND BLVD.			DETROIT, MI 48202		
	(Street and Number)			(City or Town, State and Zip Code)		
Main Administrative Office	2875 W. GRAND BLVD.					
	(Street and Number)					
	DETROIT, MI 48202			313-875-4200		
	(City or Town, State and Zip Code)			(Area Code) (Telephone Number)		
Mail Address	2875 W. GRAND BLVD.			DETROIT, MI 48202		
	(Street and Number or P.O. Box)			(City or Town, State and Zip Code)		
Primary Location of Books and Records	2875 W. GRAND BLVD.					
	(Street and Number)					
	DETROIT, MI 48202			313-875-5335		
	(City or Town, State and Zip Code)			(Area Code) (Telephone Number)		
Internet Website Address	www.wellplan.com					
Statement Contact	Mr. Ashok K. Parikh			313-875-5335		
	(Name)			(Area Code) (Telephone Number) (Extension)		
	akparikh@wellplan.com			313-875-5670		
	(E-mail Address)			(FAX Number)		
Policyowner Relations Contact	2875 W. GRAND BLVD.					
	(Street and Number)					
	DETROIT, MI 48202			313-875-5335		
	(City or Town, State and Zip Code)			(Area Code) (Telephone Number) (Extension)		

OFFICERS

President and CEO	Isadore J. King	Secretary	Stanley R. Kirk
Treasurer	Jimmie A. Hearn		

VICE PRESIDENTS

Ashok K. Parikh	Stanley R. Kirk	Alvin Riddle
Samuel E. McCargo	Dr. Delores Baker	

DIRECTORS OR TRUSTEES

Kathleen Callahan	Arthur L. Johnson	Ernestine Pointer
Jimmie A. Hearn	Wynesse R. Stanford	Gloria Johnson
Bernard Parker	Charles F. Whitten, M.D.	Margie Williams
Ronald Echols	Carol Williams	John Williams
Isadore J. King	Helen Love	John Kerr
Cecelia Stevenson	Walter Watkins, Jr.	

State of Michigan }  
County of Wayne } ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively.

Isadore J. King President and CEO	Stanley R. Kirk Secretary	Jimmie A. Hearn Treasurer
--------------------------------------	------------------------------	------------------------------

Subscribed and sworn to before me this  
day of November, 2002

Polly J. Jones  
Notary Public Wayne County, MI  
August 17, 2003

a. Is this an original filing? Yes {x} No { }  
b. If no  
1. State the amendment number  
2. Date filed 11/14/2002

ASSETS

	Current Period			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets	4 Net Admitted Assets
1. Bonds .....				
2. Stocks:				
2.1 Preferred stocks .....				
2.2 Common stocks .....	11,163,024		11,163,024	
3. Mortgage loans on real estate:				
3.1 First liens .....				
3.2 Other than first liens .....				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ ..... encumbrances).....	28,936,862		(a) 28,936,862	30,576,717
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....				
4.3 Properties held for sale (less \$ ..... encumbrances) .....				
5. Cash (\$ .....4,192,223 ) and short-term investments (\$ .....1,005,667 ) .....	5,197,890		5,197,890	30,133,883
6. Other long-term invested assets .....	(8,152,209)		(8,152,209)	(7,414,879)
7. Receivable for securities .....				
8. Aggregate write-ins for invested assets .....	1,658,838	878,247	780,591	6,024,547
9. Subtotals, cash and invested assets (Lines 1 to 8) .....	38,804,405	878,247	37,926,158	59,320,268
10. Accident and health premiums due and unpaid .....	1,822,234		1,822,234	4,145,199
11. Health care receivables .....	4,743,245		4,743,245	3,301,979
12. Amounts recoverable from reinsurers .....				
13. Net adjustment in assets and liabilities due to foreign exchange rates .....				
14. Investment income due and accrued .....	58,909		58,909	86,508
15. Amounts due from parent, subsidiaries and affiliates .....	10,176	10,176		10,232
16. Amounts receivable relating to uninsured accident and health plans .....				
17. Furniture and equipment .....	4,201,115		4,201,115	3,890,935
18. Amounts due from agents .....				
19. Federal and foreign income tax recoverable and interest thereon (including \$ ..... net deferred tax asset) .....				
20. Electronic data processing equipment and software.....	3,283,162	0	3,283,162	3,446,216
21. Other nonadmitted assets .....				
22. Aggregate write-ins for other than invested assets .....	21,599	21,599	0	0
23. Total assets (Lines 9 plus 10 through 22)	52,944,845	910,022	52,034,823	74,201,337
DETAILS OF WRITE-INS				
0801. Inventory & Other Assets.....	0		0	792,786
0802. Other Accounts Receivables.....	0		0	3,114,220
0803. Prepaid Expenses.....	878,247	878,247	0	0
0898. Summary of remaining write-ins for Line 8 from overflow page .....	780,591		780,591	2,117,541
0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above)	1,658,838	878,247	780,591	6,024,547
2201. Employee Advances.....	21,599	21,599	0	0
2202. ....				
2203. ....				
2298. Summary of remaining write-ins for Line 22 from overflow page .....				
2299. Totals (Lines 2201 thru 2203 plus 2298) (Line 22 above)	21,599	21,599	0	0

(a) \$ ..... health care delivery assets included in Line 4.1, Column 3

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ ..... reinsurance ceded)	31,307,163		31,307,163	47,009,582
2. Accrued medical incentive pool and bonus payments .....	550,000		550,000	718,977
3. Unpaid claims adjustment expenses .....	551,006		551,006	
4. Aggregate policy reserves .....	993,984		993,984	
5. Aggregate claim reserves .....				
6. Premiums received in advance .....	601,448		601,448	3,568,024
7. General expenses due or accrued .....	3,959,694		3,959,694	2,174,324
8. Federal and foreign income tax payable and interest thereon (including \$ ..... on realized capital gains (losses) (including \$ ..... net deferred tax liability) .....				
9. Amounts withheld or retained for the account of others .....	1,005,458		1,005,458	4,029,141
10. Borrowed money (including \$ .....151,326 current) and interest thereon \$ .....1,203 (including \$ .....1,203 current) .....	151,326		151,326	
11. Amounts due to parent, subsidiaries and affiliates .....	1		1	1
12. Payable for securities .....				
13. Funds held under reinsurance treaties with (\$ ..... authorized reinsurers and \$ ..... unauthorized reinsurers) .....				
14. Reinsurance in unauthorized companies .....				
15. Net adjustments in assets and liabilities due to foreign exchange rates .....				
16. Liability for amounts held under uninsured accident and health plans .....				
17. Aggregate write-ins for other liabilities (including \$ .....0 current) .....	0		0	5,022,940
18 Total liabilities (Lines 1 to 17).....	39,120,080		39,120,080	62,522,989
19. Common capital stock .....	XXX	XXX		
20 Preferred capital stock .....	XXX	XXX		
21. Gross paid in and contributed surplus .....	XXX	XXX		
22. Surplus notes .....	XXX	XXX		
23. Aggregate write-ins for other than special surplus funds .....	XXX	XXX		5,442,574
24. Unassigned funds (surplus) .....	XXX	XXX	12,914,743	6,235,774
25. Less treasury stock, at cost:				
25.1 .....shares common (value included in Line 19) \$ ..... ) .....	XXX	XXX		
25.2 .....shares preferred (value included in Line 20) \$ ..... ) .....	XXX	XXX		
26. Total capital and surplus (Lines 19 to 25) .....	XXX	XXX	12,914,743	11,678,348
27. Total liabilities, capital and surplus (Lines 18 and 26)	XXX	XXX	52,034,823	74,201,337
DETAILS OF WRITE-INS				
1701. Deferred Compensation.....	0		0	758,576
1702. Employee Severance Cost (current).....	0		0	41,600
1703. Employee Severance cost (net of current).....	0		0	166,400
1798. Summary of remaining write-ins for Line 17 from overflow page .....	0		0	4,056,364
1799. Totals (Lines 1701 thru 1703 plus 1798) (Line 17 above)	0		0	5,022,940
2301. Medical Care Fund.....	XXX	XXX		1,842,574
2302. Reserve Restricted by Board.....	XXX	XXX		3,600,000
2303. ....	XXX	XXX		
2398. Summary of remaining write-ins for Line 23 from overflow page .....	XXX	XXX		
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	XXX	XXX		5,442,574

STATEMENT OF REVENUE AND EXPENSES

	Current Year to Date		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	1,171,548	1,596,772
2. Net premium income .....	XXX	178,429,223	248,328,598
3. Change in unearned premium reserves and reserve for rate credits .....	XXX		
4. Fee-for-service (net of \$ .....672,253 medical expenses) .....	XXX	(182,938)	215,457
5. Risk revenue .....	XXX		
6. Aggregate write-ins for other health care related revenues .....	XXX	149,054	3,034,448
7. Total revenues (Lines 2 to 6) .....	XXX	178,395,339	251,578,503
Medical and Hospital:			
8. Hospital/medical benefits .....		108,610,210	191,174,815
9. Other professional services .....		8,168,794	4,129,127
10. Outside referrals .....		5,214,311	3,601,290
11. Emergency room and out-of-area .....		15,555,300	16,742,756
12. Prescription drugs .....		23,326,978	
13. Aggregate write-ins for other medical and hospital .....		0	
14. Incentive pool and withhold adjustments .....		730,257	405,929
15. Subtotal (Lines 8 to 14) .....		161,605,850	216,053,917
Less:			
16. Net reinsurance recoveries .....			
17. Total medical and hospital (Lines 15 minus 16) .....		161,605,850	216,053,917
18. Claims adjustment expenses .....		2,895,567	3,939,139
19. General administrative expenses.....		16,319,979	29,599,001
20. Increase in reserves for accident and health contracts .....		(2,981,951)	3,975,935
21. Total underwriting deductions (Lines 17 through 20) .....		177,839,445	253,567,992
22. Net underwriting gain or (loss) (Lines 7 minus 21) .....	XXX	555,894	(1,989,489)
23. Net investment income earned .....		788,953	1,798,688
24. Net realized capital gains or (losses) .....		116,889	227,416
25. Net investment gains or (losses) (Lines 23 plus 24) .....		905,842	2,026,104
26. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ ..... ) (amount charged off \$ ..... )] .....			
27. Aggregate write-ins for other income or expenses .....			(397,726)
28. Net income or (loss) before federal income taxes (Lines 22 plus 25 plus 26 plus 27) .....		1,461,736	(361,111)
29. Federal and foreign income taxes incurred .....	XXX		
30. Net income (loss) (Lines 28 minus 29) .....	XXX	1,461,736	(361,111)
DETAILS OF WRITE-INS			
0601. Miscellaneous Revenue.....	XXX	149,054	0
0602. COB.....	XXX		428,876
0603. PCS Revenue.....	XXX		2,328,847
0698. Summary of remaining write-ins for Line 6 from overflow page .....	XXX		276,725
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above) .....	XXX	149,054	3,034,448
1301. ....			
1302. ....			
1303. ....			
1398. Summary of remaining write-ins for Line 13 from overflow page .....			
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above) .....		0	
2701. Change in Non-Admitted Assets.....			(397,726)
2702. ....			
2703. ....			
2798. Summary of remaining write-ins for Line 27 from overflow page .....			
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above) .....			(397,726)

CAPITAL AND SURPLUS ACCOUNT

	1 Current Year to Date	2 Prior Year
<b>CAPITAL AND SURPLUS ACCOUNT:</b>		
31. Capital and surplus prior reporting period .....	11,678,348	12,039,459
<b>GAINS AND LOSSES TO CAPITAL &amp; SURPLUS:</b>		
32. Net income or (loss) from Line 30 .....	1,461,736	(361,111)
33. Change in valuation basis of aggregate policy and claim reserves .....		
34. Net unrealized capital gains and losses .....	205,400	
35. Change in net unrealized foreign exchange capital gain or (loss) .....		
36. Change in net deferred income tax .....		
37. Change in nonadmitted assets .....	(440,146)	
38. Change in unauthorized reinsurance .....		
39. Change in treasury stock .....		
40. Change in surplus notes .....		
41. Cumulative effect of changes in accounting principles .....		
42. Capital Changes:		
42.1 Paid in .....		
42.2 Transferred from surplus (Stock Dividend) .....		
42.3 Transferred to surplus .....		
43. Surplus adjustments:		
43.1 Paid in .....		
43.2 Transferred to capital (Stock Dividend) .....		
43.3 Transferred from capital .....		
44. Dividends to stockholders .....		
45. Aggregate write-ins for gains or (losses) in surplus .....	9,405	
46. Net change in capital & surplus (Lines 32 to 45) .....	1,236,395	(361,111)
47. Capital and surplus end of reporting period (Line 31 plus 46)	12,914,743	11,678,348
<b>DETAILS OF WRITE-INS</b>		
4501. Net Audit Adjustment from 2001.....	9,405	0
4502. ....		
4503. ....		
4598. Summary of remaining write-ins for Line 45 from overflow page .....		
4599. Totals (Lines 4501 thru 4503 plus 4598) (Line 45 above)	9,405	

CASH FLOW

	1 Current Year to Date	2 Prior Year
<b>Cash from Operations</b>		
1. Premiums and revenues collected net of reinsurance .....	177,880,344	247,349,493
2. Claims and claims adjustment expenses .....	180,078,377	230,188,314
3. General administrative expenses paid .....	14,278,039	29,675,946
4. Other underwriting income (expenses) .....	149,054	5,938,022
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4) .....	(16,327,018)	(6,576,745)
6. Net investment income .....	816,552	1,833,398
7. Other income (expenses) .....		
8. Federal and foreign income taxes (paid) recovered .....		
9. Net cash from operations (Lines 5 to 8) .....	(15,510,466)	(4,743,347)
<b>Cash from Investments</b>		
10. Proceeds from investments sold, matured or repaid:		
10.1 Bonds .....	0	
10.2 Stocks .....		
10.3 Mortgage loans .....		
10.4 Real estate .....	221,831	
10.5 Other invested assets .....	0	
10.6 Net gains or (losses) on cash and short-term investments .....	0	43,474
10.7 Miscellaneous proceeds .....		
10.8 Total investment proceeds (Lines 10.1 to 10.7) .....	221,831	43,474
11. Cost of investments acquired (long-term only):		
11.1 Bonds .....		
11.2 Stocks .....		
11.3 Mortgage loans .....	0	
11.4 Real estate .....	0	294,416
11.5 Other invested assets .....	0	
11.6 Miscellaneous applications .....	9,568,924	
11.7 Total investments acquired (Lines 11.1 to 11.6) .....	9,568,924	294,416
12. Net Cash from investments (Line 10.8 minus Line 11.7) .....	(9,347,093)	(250,942)
<b>Cash from Financing and Miscellaneous Sources</b>		
13. Cash provided:		
13.1 Surplus notes, capital and surplus paid in .....		
13.2 Net transfers from affiliates .....	0	
13.3 Borrowed funds received .....	1,473,606	
13.4 Other cash provided .....	11,617,519	5,563,148
13.5 Total (Lines 13.1 to 13.4) .....	13,091,125	5,563,148
14. Cash applied:		
14.1 Dividends to stockholders paid .....		
14.2 Net transfers to affiliates .....		
14.3 Borrowed funds repaid .....	1,322,280	
14.4 Other applications .....	11,847,279	
14.5 Total (Lines 14.1 to 14.4) .....	13,169,559	
15. Net cash from financing and miscellaneous sources (Line 13.5 minus Line 14.5) .....	(78,434)	5,563,148
<b>RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS</b>		
16. Net change in cash and short-term investments (Line 9 plus Line 12 plus Line 15) .....	(24,935,993)	568,859
17. Cash and short-term investments:		
17.1 Beginning of period .....	30,133,883	29,565,024
17.2 End of period (Line 16 plus Line 17.1) .....	5,197,890	30,133,883

STATEMENT AS OF SEPTEMBER 30, 2002 OF THE THE WELLNESS PLAN

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1  Total	Comprehensive (Hospital & Medical)		4  Medicare Supplement	5  Vision Only	6  Dental Only	7  Federal Employees Health Benefit Plan	8  Title XVIII Medicare	9  Title XIX Medicaid	10  Other
		2  Individual	3  Group							
Total Members at end of:										
1. Prior Year .....	134,548	18	17,521						117,009	
2 First Quarter .....	135,037	25	16,710				1,020		117,282	
3 Second Quarter .....	130,295	25	14,389				1,083		114,798	
4. Third Quarter .....	122,400	23	12,739				959		108,679	
5. Current Year	122,400	23	12,739				959		108,679	
6 Current Year Member Months	1,171,548	71	135,501				10,199		1,025,777	
Total Member Ambulatory Encounters for Period:										
7. Physician .....	143,899	12	22,202				1,672		120,013	
8. Non-Physician .....	242,706	17	31,757				2,392		208,540	
9. Total	386,605	29	53,959				4,064		328,553	
10. Hospital Patient Days Incurred	43,205	2	3,590				270		39,343	
11. Number of Inpatient Admissions	9,572	2	940				71		8,559	
12. Premiums Collected .....	177,880,344	10,778	20,569,978				1,547,559		155,752,029	
13. Premiums Earned	178,429,223	10,846	20,689,212				1,496,537		156,232,628	
14. Amount Paid for Provision of Health Care Services .....	177,477,246	10,754	20,523,363				1,544,052		155,399,077	
15. Amount Incurred for Provision of Health Care Services	161,605,850	9,792	18,687,973				1,405,969		141,502,116	

### CLAIMS PAYABLE (Reported and Unreported)

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UNDERWRITING AND INVESTMENT EXHIBIT  
ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5  Claims Incurred in Prior Years (Columns 1 + 3)	6  Estimated Claim Reserve and Claim Liability Dec. 31 of Prior Year
	1  On Claims Incurred Prior to January 1 of Current Year	2  On Claims Incurred During the Year	3  On Claims Unpaid Dec. 31 of Prior Year	4  On Claims Incurred During the Year		
1. Comprehensive (Hospital & Medical) .....	5,012,622	15,417,454	780,899	2,841,340	5,793,521	9,512,796
2. Medicare Supplement .....						
3. Dental Only.....						
4. Vision Only.....						
5. Federal Employees Health Benefits Plan Premiums .....	377,294	1,158,935	58,777	213,595	436,071	854,859
6. Title XVIII - Medicare .....						
7. Title XIX - Medicaid.....	37,937,381	116,674,326	3,905,862	23,506,690	41,843,243	36,641,927
8. Other .....						
9. Subtotal .....	43,327,297	133,250,715	4,745,538	26,561,625	48,072,835	47,009,582
10. Medical incentive pools, accruals and disbursements .....	899,234			550,000	899,234	718,977
11. Totals	44,226,531	133,250,715	4,745,538	27,111,625	48,972,069	47,728,559

NOTES TO FINANCIAL STATEMENTS

Statement As Of September 30, 2002 OF THE WELLNESS PLAN  
(TWP)

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

N/A.

2. ACCOUNTING CHANGES AND CORRECTION OF ERRORS

N/A.

3. BUSINESS COMBINATIONS AND GOODWILL

N/A.

4. DISCONTINUED OPERATIONS

N/A.

5. INVESTMENTS (MORTGAGE LOANS, DEBT RESTRUCTURING, REVERSE MORTGAGES, LOAN BACKED SECURITIES AND REPURCHASE AGREEMENTS)

N/A.

6. JOINT VENTURES, PARTNERSHIPS, AND LIMITED LIABILITY COMPANIES

N/A.

7. INVESTMENT INCOME

N/A.

8. DERIVATIVE INVESTMENTS

N/A.

9. INCOME TAXES

N/A.

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES

N/A.

11. DEBT

The Corporation has one outstanding liability for borrowed funds totalling \$151,326 due to Western Commerce Bank. The principal amounts are due in 2002. Interest rate at 4.8% is included with each monthly installment payment of \$50,442.

12. RETIREMENT PLANS, DEFERRED COMPENSATION, POST EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POST RETIREMENT BENEFIT PLANS

N/A.

13. CAPITAL AND SURPLUS, SHAREHOLDER DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS

N/A.

14. CONTINGENCIES

N/A.

15. OPERATING LEASES

N/A.

## NOTES TO FINANCIAL STATEMENTS

### 16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK

N/A.

### 17. SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

N/A.

### 18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED A&H PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS

N/A.

### 19. DIRECT PREMIUMS WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD PARTY ADMINISTRATORS.

N/A.

### 20. OTHER ITEMS

Extraordinary items on December 31, 2001. The Company recorded a loss of \$3,975,935 in commercial premium deficiency reserves based on expected losses occurring during 2002. As of September 30, 2002, 75% of this reserve or \$2,981,951 has been recognized as an extraordinary gain. During the nine months ended September 30, 2002.

In an ongoing effort to apply statutory accounting principles to the reporting of TWP, the following reporting changes occurred during the nine months ended September 30, 2002. (Items appear in order of statement presentation, not in order of materiality.)

- ⌚ Some investments previously classified as short-term investments were reclassified as common stock on the balance sheet. These investments are mutual funds and under statutory accounting are usually classified as stock. TWP is in the process of verifying through available NAIC lists if any of the reclassified funds qualify for special statutory reporting as short-term investments, but was unable to do so for third quarter reporting. Therefore, TWP chose to be conservative in its approach, reclassifying all of the funds until verification is completed.
- ⌚ Premiums received in advance are no longer included in health premiums due and unpaid, thus reflecting true receivables at the reporting date.
- ⌚ A review of other accounts receivable resulted in medically related amounts being reclassified as health care receivables.
- ⌚ Amounts due from subsidiaries and employee advances are now classified as nonadmitted assets per current statutory guidelines.
- ⌚ Inventory is now included with furniture and equipment.
- ⌚ An amount for unpaid claims adjustment expenses (CAE) is now included on the balance sheet. Previously, this amount had been included in the amount for general expenses due and accrued.
- ⌚ Payroll and fringe benefits due and unpaid were removed from Amounts Withheld or Retained for the Account of Others and transfer to either unpaid CAE or general expenses due and unpaid, as appropriate.
- ⌚ Deferred compensation and employee severance costs were removed as write-in items on the balance sheet and now are reported in Amounts Withheld or Retained for the Account of Others.
- ⌚ Amounts previously included in Medical Administration on the income statement have been reclassified. Part of the amount is now reported as claims adjustment expenses. The remaining amount is considered to be hospital and medical expenses and has been allocated into the appropriate four expense lines according to the staff time spend in each area.
- ⌚ Medical expenses are reported net of COB, co-payments and subrogation.
- ⌚ Prescription drug expense is reported net of rebates and Medicaid psychotropic revenues.
- ⌚ A review of outside referral expense resulted in some amounts being reclassified as other professional services.

### 21. SUBSEQUENT EVENTS

N/A.

### 22. REINSURANCE

N/A.

### 23. RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION

N/A.

### 24. ANTICIPATED SALVAGE AND SUBROGATION

N/A.

NOTES TO FINANCIAL STATEMENTS

25. CHANGE IN INCURRED CLAIMS AND CLAIM ADJUSTMENT EXPENSES

Reserves for incurred claims and claim adjustment expenses attributable to insured events of prior years has increased by \$352,276 from \$47,720,559 to \$48,072,835 on August 31, 2002 as a result of re-estimation of unpaid claims and claim adjustment expenses principally on the commercial and medicaid lines of insurance.

26. ORGANIZATION AND OPERATION

The plan presently follows a combination of staff, group and IPA models. Approximately 89% of the membership are enrolled in Medicaid Title XIX, and virtually all of the remaining members represent employer groups.

27. MINIMUM NET WORTH

N/A.

NOTES TO FINANCIAL STATEMENTS

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since the prior year end unless otherwise noted.)

PART 1 - COMMON INTERROGATORIES  
GENERAL

1.1 Did the reporting entity implement any significant accounting policy changes which would require disclosure in the Notes to the Financial Statements? ..... Yes [ ] No [X]

1.2 If yes, explain: .....  
.....

2.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? ..... Yes [ ] No [X]

2.2 If yes, has the report been filed with the domiciliary state? ..... Yes [ ] No [ ]

3.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? ..... Yes [ ] No [X]

3.2 If yes, date of change: .....  
If not previously filed, furnish herewith a certified copy of the instrument as amended.

4. Have there been any substantial changes in the organizational chart since the prior quarter end? ..... Yes [ ] No [X]  
If yes, attach an organizational chart.

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? ..... Yes [ ] No [X]

5.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
.....	.....	.....
.....	.....	.....
.....	.....	.....

6. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? ..... Yes [ ] No [X] NA [ ]  
If yes, attach an explanation.

7.1 State as of what date the latest financial examination of the reporting entity was made or is being made. .... 12/31/2001

7.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. .... 12/31/1997

7.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). .... 04/15/1999

7.4 By what department or departments?  
Office of Financial and Insurance Services.....

8.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.) ..... Yes [ ] No [X]

8.2 If yes, give full information: .....  
.....

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since the prior year end unless otherwise noted.)

INVESTMENT

9.1 Has there been any change in the reporting entity's own preferred or common stock? Yes [ ] No [X]

9.2 If yes, explain:

10.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [ ] No [X]

10.2 If yes, give full and complete information relating thereto:

11. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$ 0

12. Amount of real estate and mortgages held in short-term investments: \$ 0

13.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [X] No [ ]

13.2 If yes, please complete the following:

	1	2
	Prior Year-End Statement Value	Current Quarter Statement Value
13.21 Bonds	\$	\$
13.22 Preferred Stock	\$	\$
13.23 Common Stock	\$	\$
13.24 Short-term Investments	\$	\$
13.25 Mortgages, Loans or Real Estate	\$	\$
13.26 All Other	\$ 10,232	\$ 10,176
13.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 13.21 to 13.26)	\$ 10,232	\$ 10,176
13.28 Total Investment in Parent included in Lines 13.21 to 13.26 above	\$	\$
13.29 Receivable from Parent not included in Lines 13.21 to 13.26 above	\$	\$

14.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [ ] No [X]

14.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [ ] No [ ]

If no, attach a description with this statement.

15. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1 - General, Section IV.H - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [ ] No [X]

15.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1	2
Name of Custodian(s)	Custodian Address

15.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1	2	3
Name(s)	Location(s)	Complete Explanation(s)
Comerica	Detroit, Michigan	We are currently investigating whether our trust agreement is in compliance with NAIC requirements.
Bank One	Detroit, Michigan	We are currently investigating whether our trust agreement is in compliance with NAIC requirements.

15.3 Have there been any changes, including name changes in the custodian(s) identified in 15.1 during the current year? Yes [ ] No [X]

15.4 If yes, give full and complete information relating thereto:

1	2	3	4
Old Custodian	New Custodian	Date of Change	Reason

15.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1	2	3
Central Registration Depository	Name(s)	Address
DTC Number 2255	Clarence Lewis, Jr.	Bank One, 611 Woodward, Detroit, MI 48226
DTC Number 2255	Richard F. Cipicchio	Bank One, 111 Polaris Parkway, Columbus, OH 43420
DTC Number 2108	Randy L. Browning	Comerica, 411 W. Lafayette, MC3462, Detroit, MI 48226

SCHEDULE A - VERIFICATION

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value, beginning of period .....	30,576,717	30,071,622	29,564,533	32,371,705
2. Increase (decrease) by adjustment .....	(516,935)	(507,089)	(507,579)	(2,089,404)
3. Cost of acquired .....				
4. Cost of additions to and permanent improvements .....	11,840		0	294,416
5. Total profit (loss) on sales .....			101,739	
6. Increase (decrease) by foreign exchange adjustment .....				
7. Amount received on sales .....			221,831	
8. Book/adjusted carrying value at end of current period .....	30,071,622	29,564,533	28,936,862	30,576,717
9. Total valuation allowance .....				
10. Subtotal (Lines 8 plus 9) .....	30,071,622	29,564,533	28,936,862	30,576,717
11. Total nonadmitted amounts .....				
12. Statement value, current period (Page 2, real estate lines, current period)	30,071,622	29,564,533	28,936,862	30,576,717

SCHEDULE B - VERIFICATION

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/recorded investment excluding accrued interest on mortgages owned, beginning of period .....				
2. Amount loaned during period:				
2.1. Actual cost at time of acquisitions .....				
2.2. Additional investment made after acquisitions .....				
3. Accrual of discount and mortgage interest points and commitment fees .....				
4. Increase (decrease) by adjustment .....				
5. Total profit (loss) on sale .....				
6. Amounts paid on account or in full during the period .....				
7. Amortization of premium .....				
8. Increase (decrease) by foreign exchange adjustment .....				
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period .....				
10. Total valuation allowance .....				
11. Subtotal (Lines 9 plus 10) .....				
12. Total nonadmitted amounts .....				
13. Statement value of mortgages owned at end of current period				

NONE

SCHEDULE BA - VERIFICATION

Other Invested Assets Included in Schedule BA				
	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value of long-term invested assets owned, beginning of period .....	(7,414,879)	(7,259,843)	(7,980,706)	(8,201,003)
2. Cost of acquisitions during period:				
2.1. Actual cost at time of acquisitions .....				7,915,427
2.2. Additional investment made after acquisitions .....				
3. Accrual of discount .....				
4. Increase (decrease) by adjustment .....	155,036	(720,863)	(171,503)	(7,129,303)
5. Total profit (loss) on sale .....				
6. Amounts paid on account or in full during the period .....				
7. Amortization of premium .....				
8. Increase (decrease) by foreign exchange adjustment .....				
9. Book/adjusted carrying value of long-term invested assets at end of current period .....	(7,259,843)	(7,980,706)	(8,152,209)	(7,414,879)
10. Total valuation allowance .....				
11. Subtotal (Lines 9 plus 10) .....	(7,259,843)	(7,980,706)	(8,152,209)	(7,414,879)
12. Total nonadmitted amounts .....				
13. Statement value of long-term invested assets at end of current period	(7,259,843)	(7,980,706)	(8,152,209)	(7,414,879)



STATEMENT AS OF SEPTEMBER 30, 2002 OF THE THE WELLNESS PLAN

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity  
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Statement Value Beginning of Current Quarter	2  Acquisitions During Current Quarter	3  Dispositions During Current Quarter	4  Non-Trading Activity During Current Quarter	5 Statement Value End of First Quarter	6 Statement Value End of Second Quarter	7 Statement Value End of Third Quarter	8 Statement Value December 31 Prior Year
<b>BONDS</b>								
1. Class 1 .....	10,449,241		0	(9,443,574)	10,350,112	10,449,241	1,005,667	9,419,272
2. Class 2 .....	0			0	0	0	0	
3. Class 3 .....	0			0	0	0	0	
4. Class 4 .....								
5. Class 5 .....								
6. Class 6 .....								
7. Total Bonds	10,449,241		0	(9,443,574)	10,350,112	10,449,241	1,005,667	9,419,272
<b>PREFERRED STOCK</b>								
8. Class 1 .....								
9. Class 2 .....								
10. Class 3 .....								
11. Class 4 .....								
12. Class 5 .....								
13. Class 6 .....								
14. Total Preferred Stock								
15. Total Bonds and Preferred Stock	10,449,241		0	(9,443,574)	10,350,112	10,449,241	1,005,667	9,419,272

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter					
	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Amount of Interest Received Current Quarter	Paid for Accrued Interest
8099999 Totals	1,005,667	XXX	1,005,667	3,167	0

SCHEDULE DA - PART 2- Verification

Short-Term Investments Owned				
	1	2	3	4
	First Quarter Current Year	Second Quarter Current Year	Third Quarter Current Year	Prior Year Ended December 31
1. Book/adjusted carrying value, beginning of period .....	10,422,143	10,350,112	10,449,241	10,208,146
2. Cost of short-term investments acquired .....				10,290,332
3. Increase (decrease) by adjustment .....	(72,031)	99,129	125,350	
4. Increase (decrease) by foreign exchange adjustment .....				
5. Total profit (loss) on disposal of short-term investments .....			0	(24,972)
6. Consideration received on disposal of short-term investments .....			9,568,924	10,051,363
7. Book/adjusted carrying value, current period .....	10,350,112	10,449,241	1,005,667	10,422,143
8. Total valuation allowance .....				
9. Subtotal (Lines 7 plus 8) .....	10,350,112	10,449,241	1,005,667	10,422,143
10. Total nonadmitted amounts .....				
11. Statement value (Lines 9 minus 10) .....	10,350,112	10,449,241	1,005,667	10,422,143
12. Income collected during period .....	130,526	124,014	3,167	236,100
13. Income earned during period .....	126,125	103,145	2,607	276,594

Schedule DB - Part F - Section 1

NONE

Schedule DB - Part F - Section 2

NONE

Schedule S

NONE

SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

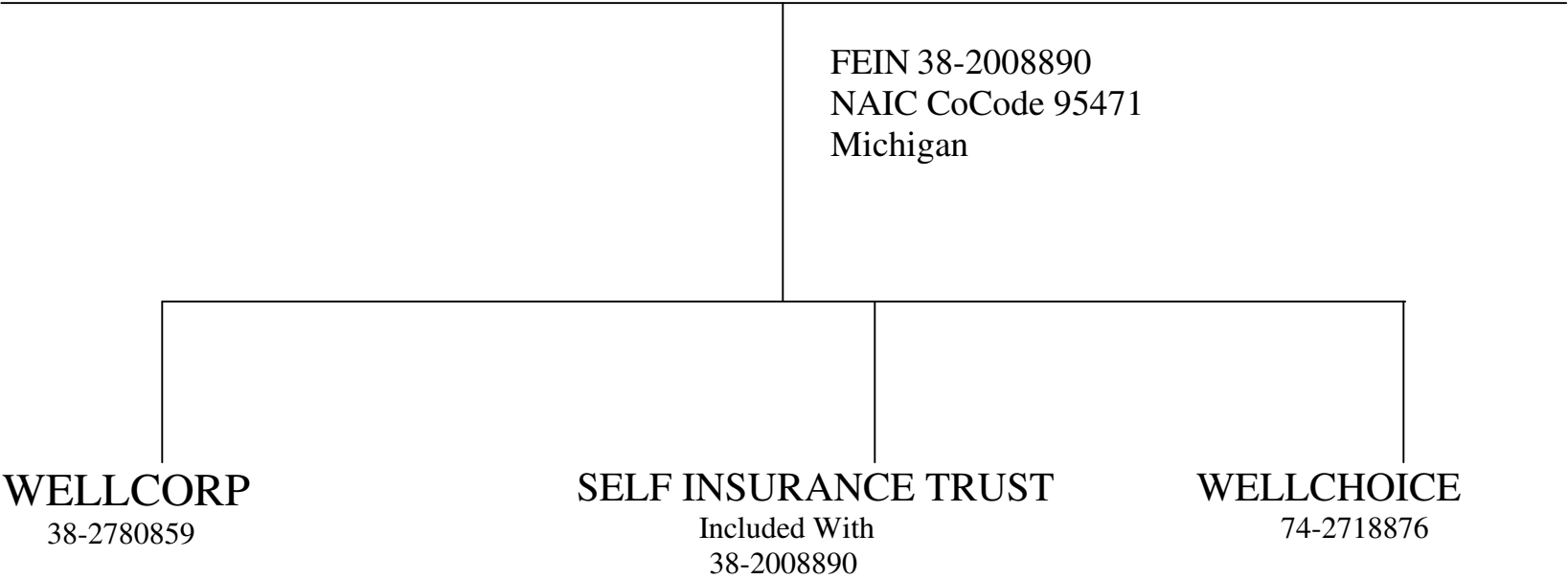
Allocated by States and Territories

States, Etc.	1	2	Direct Business Only Year-to-Date			
	Guaranty Fund (Yes or No)	Is Insurer Licensed? (Yes or No)	3 Premiums	4 Medicare Title XVIII	5 Medicaid Title XIX	6 Federal Employees Health Benefit Program Premium
1. Alabama .....	AL					
2. Alaska .....	AK					
3. Arizona .....	AZ					
4. Arkansas .....	AR					
5. California .....	CA					
6. Colorado .....	CO					
7. Connecticut .....	CT					
8. Delaware .....	DE					
9. District of Columbia .....	DC					
10. Florida .....	FL					
11. Georgia .....	GA					
12. Hawaii .....	HI					
13. Idaho .....	ID					
14. Illinois .....	IL					
15. Indiana .....	IN					
16. Iowa .....	IA					
17. Kansas .....	KS					
18. Kentucky .....	KY					
19. Louisiana .....	LA					
20. Maine .....	ME					
21. Maryland .....	MD					
22. Massachusetts .....	MA					
23. Michigan .....	MI	No	Yes	20,700,058	156,232,628	1,496,537
24. Minnesota .....	MN					
25. Mississippi .....	MS					
26. Missouri .....	MO					
27. Montana .....	MT					
28. Nebraska .....	NE					
29. Nevada .....	NV					
30. New Hampshire .....	NH					
31. New Jersey .....	NJ					
32. New Mexico .....	NM					
33. New York .....	NY					
34. North Carolina .....	NC					
35. North Dakota .....	ND					
36. Ohio .....	OH					
37. Oklahoma .....	OK					
38. Oregon .....	OR					
39. Pennsylvania .....	PA					
40. Rhode Island .....	RI					
41. South Carolina .....	SC					
42. South Dakota .....	SD					
43. Tennessee .....	TN					
44. Texas .....	TX					
45. Utah .....	UT					
46. Vermont .....	VT					
47. Virginia .....	VA					
48. Washington .....	WA					
49. West Virginia .....	WV					
50. Wisconsin .....	WI					
51. Wyoming .....	WY					
52. American Samoa .....	AS					
53. Guam .....	GU					
54. Puerto Rico .....	PR					
55. U.S. Virgin Islands .....	VI					
56. Canada .....	CN					
57. Aggregate Other Alien .....	OT	XXX	XXX			
58. Total (Direct Business)	XXX	(a) 1	20,700,058		156,232,628	1,496,537
DETAILS OF WRITE-INS						
5701. ....						
5702. ....						
5703. ....						
5798. Summary of remaining write-ins for Line 57 from overflow page .....						
5799. Totals (Lines 5701 thru 5703 plus 5798)(Line 57 above)						

(a) Insert the number of yes responses except for Canada and Other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 - ORGANIZATIONAL CHART

THE WELLNESS PLAN



SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing on NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory question.

RESPONSE

1. Will the SVO Compliance Certification be filed with this statement?

Yes

Explanation:

Bar Code:

OVERFLOW PAGE FOR WRITE-INS

MQ002 Additional Aggregate Lines for Page 02 Line 8.

\*ASSETS

0804. Funds Held for Deferred Compensation Plan.....	780,591		780,591	770,755
0805. Excess Funding Retiree Health Plan.....	0		0	1,346,786
0897. Summary of remaining write-ins for Line 8 from Page 02	780,591		780,591	2,117,541

MQ003 Additional Aggregate Lines for Page 03 Line 17.

\*LIAB

1704. Other Liabilities.....			0	80,429
1705. Deficiency Reserve (Commercial).....			0	3,975,935
1797. Summary of remaining write-ins for Line 17 from Page 03	0		0	4,056,364

MQ004 Additional Aggregate Lines for Page 04 Line 6.

\*REVEX1

0604. Insurance Proceeds.....	XXX		276,725
0697. Summary of remaining write-ins for Line 6 from Page 04	XXX		276,725

STATEMENT AS OF SEPTEMBER 30, 2002 OF THE THE WELLNESS PLAN

SCHEDULE A - PART 2

1	Location		4	5	6	7	8	9
	2	3						
Description of Property	City	State	Date Acquired	Name of Vendor	Actual Cost	Amount of Encumbrances	Book/Adjusted Carrying Value Less Encumbrances	Expended for Additions and Permanent Improvements
NONE								
9999999 - Totals								

SCHEDULE A - PART 3

1	Location		4	5	6	7	8	9	10	11	12	13	14	15	16
	2	3													
Description of Property	City	State	Disposal Date	Name of Purchaser	Actual Cost	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Expended for Additions, Permanent Improvements and Changes in Encum- brances	Book/ Adjusted Carrying Value Less Encum- brances	Amounts Received	Foreign Exchange Profit (Loss) on Sale	Realized Profit (Loss) on Sale	Total Profit (Loss) on Sale	Gross Income Earned Less Interest Incurred on Encum- brances	Taxes, Repairs and Expenses Incurred
Vacant land adjacent to Corporate building...	Detroit	Michigan	04/25/2002	Creative Lands Design, Inc.	120,092	0	0	0	120,092	221,831	0	101,739	101,739	0	0
0199999 - Property Sold					120,092	0	0	0	120,092	221,831	0	101,739	101,739	0	0
9999999 Totals					120,092	0	0	0	120,092	221,831	0	101,739	101,739	0	0



Schedule B - Part 1

NONE

Schedule B - Part 2

NONE

Schedule BA - Part 1

NONE

Schedule BA - Part 2

NONE

Schedule D - Part 3

NONE

Schedule D - Part 4

NONE

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part D - Section 1

NONE

**STATEMENT AS OF SEPTEMBER 30, 2002 OF THE THE WELLNESS PLAN**

## SCHEDULE E - PART 1 - CASH

[illegible]